Unemployment Insurance System Gates

Gate #1

- **Social Security Administration**
  - Last Name
  - SSN
  - DOB
  - Gender
- **Claim intake eligibility**
- **Alien Certification (Homeland Security)**

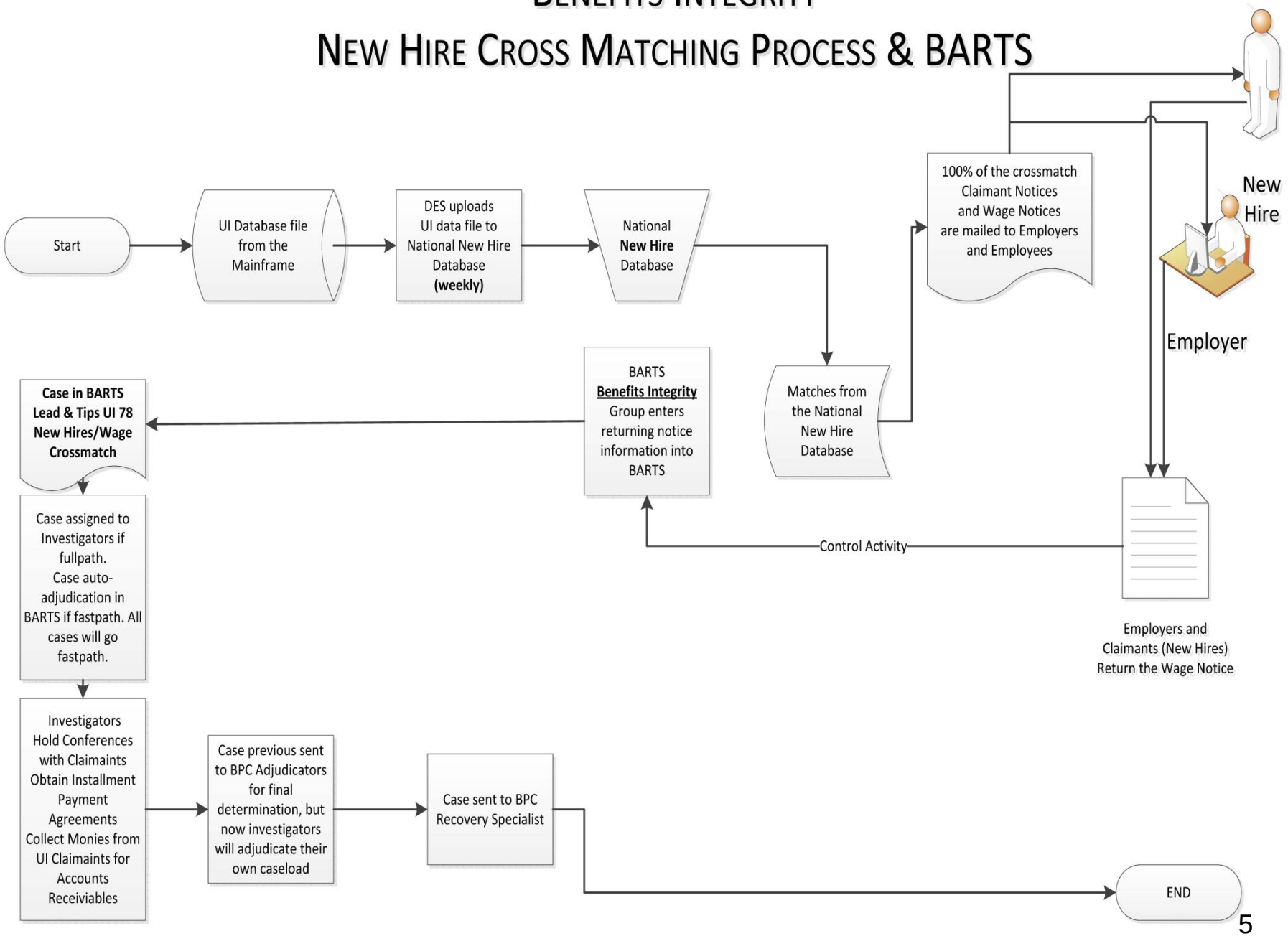
Gate #2

- Claimant Separation
- Employer Separation Response (500AB)
- Notice of Claim and Potential Charges
- Monetary Eligibility
- NCWorks.com registration required
- State Inquiry Data Interchange (SIDI)

Gate #3

- **Weekly Certification**
- **Employment Assessment Interview (EAI)**
- **NDNH Cross match (National Directory of New Hires)**
- **GDAC (prison & death record cross match)**

BENEFITS INTEGRITY
NEW HIRE CROSS MATCHING PROCESS & BARTS



Use and Benefits of GDAC / NCFACTS

- Currently using to assist in prioritizing Tips and Leads cases
  - Analyzing and assigning fraud index scores
  - Potential overpayment amounts
  - Potential weeks involved
- Provides weekly update of Prison and Jail data
  - Includes county, location and dates of incarceration in one view
- Decreases information linked with both social security death master index file and vital records
- Provides a holistic view of the claim
  - Able to look back at wages and weeks filed for 2 years
  - Provides a complete list of all employers during filing period with address and telephone numbers in one view
- The biggest benefit of the time saved by having employer details, claim details, wage details, and address details in one location

Fictitious Employer Statistics from Investigations from Discovery; 2011 through December 2013

Total Number of Fictitious Accounts Discovered		106
Total Number of Fraudulent Claims Established		672
Total Number of Benefits Weeks Paid	$	6,199.
Total Amount of Benefits Paid	$	2,726,019.
Total Number of Weeks Unpaid because of Prevention efforts	$	15,989.
Estimated Savings of Prevention efforts	$	5,238,035.

During this time of discovery and investigation:

- 408 claims were stopped after six weeks or less
- 333 claims were stopped after three weeks or less
- 163 claims were stopped before any weeks were paid

All significant fictitious employer activity was discovered and halted by December 2013.

Fictitious Employer Business Rule

DES examines all employer account applications, claims applications, and work registrations for the following characteristics. If detected, the application remains on hold until a thorough investigation of the employer can be completed.

1) Is the liability date on the application backdated to a date that would allow for enough quarterly reports to be immediately filed, allowing for monetarily eligible claim to be filed? (Yes. This fact is almost always universal.)

2) Have quarterly reports indeed been filed? If so, have the social security numbers been used to attempt to file a claim or report wages in another state? (Usually, yes.) Have the social security numbers appeared in our records before? (Usually not, since most schemes involve stolen numbers from owners no longer in the workforce. However, it is common to see the same names and numbers used on reports on other fictitious employer accounts.) Have the same wages or a similar pattern of wages been reported for each social security number on the quarterly report? (Always) Has quarterly tax been paid? (Usually no money is ever paid.) Do the wages on the reports seem appropriate to the business operations? (Most times, yes, although the wages follow patterns that are universal, no matter what the nature of the business.)

3) Claimants are required to register for work. Does the personal information on the work registration match the information on the claim application and the wages on the quarterly report? For example, wages earned for a year might indicate $80,000.00 and the work registration might indicate a career of lawn mower mechanic.

4) Has a revenue number been provided? (Usually never.)

5) Are the mailing and physical addresses on the employer application and work registration and claims application valid? For example, is the business address given actually a vacant lot or a well-known, established business (not the business indicated on the application)? Is the claimant's home address actually a car lot? Also, the same addresses will be used on other fictitious accounts, claims, and registrations.

6) Are the telephone numbers indicated, valid ? (Never. And, the same numbers will be used on other fictitious applications, claims, and registrations.)

7) Is the ownership a proprietorship or corporation? (Almost always a proprietorship.)

8) Owner/Officer information: Usually the minimum is reported and usually the same number and name is also listed on the quarterly report. Same information will be found on other applications submitted for other fictitious employers.

Continuity of Control / SUTA Dumping

	Mandatory Transfers	Net Contributions Due
12/31/2013	41	$ 547,491.58
03/31/2014	80	$ 525,402.00
06/30/2014	106	$ 917,193.95
09/30/2014	77	$2,448,461.95
	304	$4,438,549.48

Misclassified workers discovered in CY2013	5,691
Misclassified workers disc thru Nov, 2014	5,407
YTD Audits completed thru Nov, 2014	2,068
YTD Blocked Claims issued thru Nov, 2014	2,960
YTD Status Investigations thru Nov, 2014	784